

S O M E
OBSERVATIONS
ON THE
EVIL CONSEQUENCES

THAT WILL PROBABLY ARISE
FROM A DUTY
PROPOSED TO BE LAID ON
C O A L S.

INSCRIBED TO
THE RIGHT HONOURABLE
W I L L I A M P I T T.

— In things like these,
The smallest Evil, and the greatest Good
United, are the most desirable. ANONYMOUS.

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[P R I C E S I X P E N C E .]

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TO THE
RIGHT HONOURABLE
WILLIAM PITT.

THE candid manner in which you proposed the Taxes, ought to prevent finding fault with any thing that has yet passed relating to them. Your declared readiness to hear what might be advanced on the subject, and your well known zeal for the good of your country, induce me to trouble you and the world with the following observations, being fully convinced, that no
duty

duty so hurtful, as that on coals, ever was
proposed, or, I might almost say, ever can
be, and I am, with much regard, respect,
and esteem,

S I R,

your most obedient,

humble servant,

THE AUTHOR.

London, 5th July, 1784.

S O M E
O B S E R V A T I O N S,

&c. &c.

THE object of all taxes is the same, to raise money for public purposes. The truth is generally admitted, that those least oppressive are the best.—Now those really the least oppressive, are such as are raised without infringement on the civil liberty of the subject, and that are levied at the least expence, and the most equally.—There are two kinds of expence in raising taxes, 1st, the actual money paid to the servants of Government, and 2d, the expence that it throws upon individuals, and consequently, upon the nation at large.—The first of these is the most evident, and most
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in point to the proposers of taxes; but the second is often the greatest, and is really of most consequence. A view has generally been had in laying duties on manufactures to these expences, and with great propriety.—It is better to pay a duty on leather, than on every individual pair of shoes, tho' there is an increase of expence in shoes, not only on account of the tax, but on account of the money paid increasing the value of the commodity to every hand that it passes thro', after that duty is paid; so that they are obliged to increase their profits, and every one must have as much profit per cent. on the tax, as on the intrinsic value of the material. Therefore, it follows, that provided Revenue Officers can keep clear of the complexity of doing business with Retailers and Consumers, (which last tends to an infringement on civil liberty) the more complete the articles are before the duty is laid on, the better, to steer between these, is then part of the business of the Statesman in laying on taxes. This general principle has been understood sufficiently by many people, and *raw materials* have been considered as *not* being proper subjects for taxation.

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If this is the case with the articles of those manufactures that are carried on by people with great capitals, and in a large and extensive way, it is still more so in many things that pass in manufacturing thro' the hands of poor men in a small way, to whom money is of infinitely more value ; for by laying a tax of one shilling on an article that passes through the hands of ten poor manufacturers, *after the tax is laid on*, and to whom money is worth ten per cent. during the time the goods are in their hands, the shilling will just be doubled. The late taxes on Receipts and Bills, are very free from these objections, but they involve another evil, not so very common with taxes, which is, that of impeding business, and making it more troublesome and sometimes more intricate. This is only mentioned by way of completing the general observations on taxes, for it is quite foreign to the present subject.

Of all the taxes that ever were laid on, that on Coals is the one that partakes most of the evil of
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the taxes on *raw materials*; supposing it is to include manufactures in general, if it does not, let us see what the consequences must be.—It is only necessary here to observe, that a drawback does not prevent the evil, unless that drawback is so given as to prevent the manufacturers from a necessity of advancing any money; for in the case of the article before instanced, that by passing thro' the hands of ten manufacturers after the tax was laid on, doubled the amount of that tax. Suppose there was a drawback of one and a half, after that advance of price, still the value would be increased one shilling, and the revenue would get nothing but a double expence of collecting the tax, and allowing the drawback. This may seem odd, but it is really the case; for to many small manufacturers who have no credit for money, (here it is to be remarked, that poor manufacturers borrow goods, that is, they work on other people's materials, but not with their money, for which they can get no credit) it is worth cent. per cent. and often much more per annum.

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That the tax on coals partakes of the evils of taxes on raw materials in the most eminent degree, is evident from many circumstances ; and its universality is so immense, that years will not be able to restore the balance between different manufactures, and no period will put an end to the evil consequences. The manufacturer of glass, for instance, pays more for his coals, he also pays more for the pots in which his glass is mixed ; more for the red lead (a great deal more) which is one material, more for the alkali, another material. The bricks are also much dearer, because of the double duty on them, (for a tax on coals is a tax on bricks, and on almost every thing else) and even the iron tools and the brass, are increased in value by this new tax, so that he cannot estimate his expences — There are some other manufacturies that will, if possible, be more severely hurt ; it is impossible the tax can be meant to extend to iron furnaces, else that would be a glaring instance ; but there are manufactories of vitrol, aqua fortis, alkali *,

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* Alkali is likely to make a great addition to the internal wealth of this kingdom, having hitherto been imported to the amount of some hundred thousands a year.

the making of brass, casting of iron, &c. these manufactories undoubtedly leave this country when coals are taxed, at least some of them, and in some degree. Suppose then that the tax is generally inclusive, it will be a most ruinous one. Let us now endeavour to prove, that if *not generally inclusive*, it will not be productive. If *not generally inclusive*, it must have some bounds——great manufactories supposed to be exempted, then it is equally necessary to exempt the small ones, for five sixths of hardwares, and all things that admit of it, are manufactured by small masters, and often by individuals, who sell their own work:—nails, for instance, an immense manufacture, and of great consequence to this country, are all done in this way by a man, and often his wife and children, who work at home. Smith-work too, is generally and by far the most part done by petty masters, all other manufactures are the same, in a greater or lesser degree. Small manufacturers are the cause of selling cheap—for great dealers are the only ones who can keep up prices;

prices; and if manufacturers in small are discouraged, the trade of this country will fall off terribly. Now the tax that does not extend to great, should, therefore, not extend to small, and the small manufacturers do not keep their business-coals separate from their house-coals, nor can a separation be effected without involving two of the evils first mentioned about taxes, viz. infringing the civil liberty of the subject, and incurring great expence in revenue officers, and in trouble to the individuals. It is therefore pretty evident, that if *generally inclusive*, the tax will be a ruinous one, and if not so, that it will be necessary to make so many exceptions, that it will not be very productive.

Another objection that might be made to the tax, as it now stands, is, that being per ton, and not *per valorem*, it will double and treble the price of some sorts of coals, and that the worst sort, so that the manufactures that exist by the cheapness of coals must be ruined, and the bad coals at the pit must be lost, as they will not be worth the duty, and

what makes it particularly oppressive is, that those manufactories that have settled in coal counties, for the sake of coals, will pay as dear, though they always use the worst, as those at a distance that get of a better quality, for as the best quality bears the expence of carriage best, the worst are used at home.

It is like demonstrating an axiom, to prove this to be a bad tax, and it is not unreasonable to conclude, that of all possible taxes, this is the most hurtful to trade, that a tax on *cold* water (for it itself is a tax on *warm* water) would not be worse, and that one on bread would not be so bad.—It would be saying too much, to say that the tax might not be made much better, but it is so intricately, and so extensively connected with every kind of business, that it surely would be very difficult.—Taxes must be instituted, but it is not necessary they should be all done this season, 200,000 may be wanted till another year, or till there is more time to digest the subject, if not, and it is determined

mined to raise the money from this time, the following are suggested as being less hurtful:

First, A tax on houses according to the rents.

Secondly, A small duty on goods carried by inland navigations, which would not hurt the canals, and the duty on carriers operate as a drawback, and is, at present, an unfair advantage in favour of canals; besides, it could not, at any rate, hurt them so much as the duty on coals, which will be a terrible loss to them, as the carriage of heavy goods, such as coal, lime, stone, brick, &c. are the real support of canals, and it is chiefly by carrying such heavy goods, that canals are of use to the country; certain it is, that few canals have paid the adventurers in them, without they had those articles to carry.

Third, A duty on all Borilla and Pot-ash imported into this kingdom, sufficiently high to keep
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part of those immense sums at home that yearly go for them; which would be the case, as some able Chymists now manufacture that article in great quantities.

Fourth, A duty on carpets, and some articles of cabinet-work.

Perhaps, even these might not be quite equal to the duty on coals; but, if they were half equal to it, they at least would not cost the nation one sixth of the money. *The evil of the Coal tax is so subdivided, so extensive, and so much at the very root of trade, that the extent or limit of its evil cannot be estimated nor ascertained.*

The Author of this is only concerned in the duty on Coals, as a friend to trade and to the nation, for he neither stands nor falls in consequence of it; but the opportunities he has had of being well acquainted with the manner of doing business, both in great and small manufactories, and in different parts of England, and having
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some knowledge, both from experience and observation, of the general basis of manufactures in this country, makes him tremble for the consequences.

It is impossible for a Minister, or for any man high in rank and public business, who has not had time to attend to trade, as carried on by individuals, in different parts of England, to see the extent of the evil; therefore, if he should be mistaken, or misinformed, it is no impeachment either on his head, or his attention to the subject, nor even of those about him, who may assist in framing public taxes.

If the foregoing Observations will only be the means of turning the attention of the Minister, and of the people, to the subject, the purpose they were wrote for will be fully answered. Short as the time is, and unaccustomed to writing, the Author does not chuse to lengthen this by numerous instances of facts, to support some of his assertions: but if there are not enough in the
knowledge

knowledge of most people, who have had opportunity to know any thing of the matter, he pledges himself, to produce facts in point to every assertion contained in these Observations.

F I N I S.



